(d) and (e) On May 27, 1998, the Government reiterated its readiness to discuss a "no first use" agreement with Pakistan as also with other countries bilaterally, or in a collective forum. In 1994, India had proposed to Pakistan that both countries jointly undertake not to be the first to *mie* their nuclear capability against each other. This has been reiterated in a *numb*er of formal statements issued by India.

Damaged Items of CSD

3062. SHRI S. NIRAIKULATHAN: Will the Minister of DEFENCE be pleased to state:

(a) what is the percentage of damage due to handling, etc. allowed on items provided to Canteen Stores Department;

(b) the percentage of damage shown by C.S.D., Air Force Station, New Delhi, during the last three years;

(c) whether there is any counter check by any independent authority to verify the claim of damage; and

(d) if not, will Govenment appoint an independent authority to go into such claim of damages physically to prevent false claim and to save loss to the exchequer?

THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES): (a) and (b) While regularisation of actual losses, incurred in handling of CSD stores is provided for, no permissible percentage, in this behalf, has been specified by the Department. However, in the case of Air Force Canteen, New Delhi, which is a Unit Run Canteen, the permissible percentage of damage, on account of handling etc. is provided @ 1% of the indent value. The percentage of loss, in the Air Force Station Canteen, New Delhi, during the last three years, is as follows:—

1995-96	1996-97	1997-98
0.033%	0.040%	0.042%

(c) and (d) There is, no question of any loss to the state Exchequer, emanating from the Air Force Canteen, New Delhi, which is a Non-Public Fund Canteen, under the Air Force Station, New Delhi. The same, however, is subject to annual audit as well as regular checking by the specialists' inspecting teams. Therefore, there is no question of loss resulting from any false claim.

Posts of Oflicers Lying vacant in Armed Forces

3063. DR. Y. LAKSHMl PRASAD: Will the Minister of DEFENCE be pleased to state:

(a) the number of posts of officers lying vacant in the armed forces; and

(b) the effective measuresteps taken to meet the shortage of army officers?

THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES): (a) and (b) The present vacancy position of officers in respect of three services is given below:—

Army	—	13323
Navy	—	1069
Air Force	—	695

2. Various measures have been initiated to make the shortage in the officer cadre in the Army, such as. University Entry Scheme, exemption from appearing in Combined Defence Service Examination for NCC 'C certificate holders for induction as Short Service Commission Officer (SSCO), induction of women as officers, promotion of service JCO&ORs into the newly created Special Commissioned Officer (SCO) cadre. An Image Projection Campaign was launched during 1997-98 with the assistance of professional advertising agency. Second phase of the Campaign has been approved.

3. Implementation of the Fifth Pay Commission's recommendations in respect of defence services has resulted in improved pay scales, allowances and concenssions to armed forces personnel. It is expected that the comulative effect

of all the measures will result in higher intake, making up shorfall in the vacancies to a considerable extent in the near future.

Modernisation of HAL

3064. SHRI JANARDHANA POOJARY: Will the Minister of DEFENCE be pleased to state:

(a) whether Government have a proposal under consideration to modernise HAL (Hindustan Aeronautics Limited), Bangalore;

(b) if so, the details of the proposal; and

(c) the time by when work in this regard will start?

THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES): (a) Modernisation of HAL is a continuous process. There is no specific proposal under consideration to modernise Hindustan Aeronautics Limited, Bangalore.

(b) and (c) Does not arise, in view of reply to Part (a) above.

Audit of Regimental Funds of Indian Air Force

3065. SHRI KRISHNA KUMAR BIRLA: Will the Minister of DEFENCE be pleased to state:

(a) whether on the recommendation of a high powerd Committee set up by Government to probe the legality of "Santushti" a commercial complex run by the Indian Air Force, Government have ordered for auditing of the regimental funds held by the Indian Air Force;

(b) if so, the details thereof; and

(c) the- action taken on the audit report?

THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES): (a) to (c) A special Audit Team was constituted to conduct special audit of accounts of the organisation running the Santushi Complex including the transfer of income from Santushti to the regimental funds, the accounts of the regimental funds and transfer of amounts from regimentals funds to the Air Force Wives Welfare Association (AFWWA-C).

The Special Audit Team has submitted its report which has drawn the following main conclusions:—

(i) The Santushti Complex was set up in 1985 at New Wellington Camp, covering an area of 1.7 acres approximately. The land belongs to Ministry of Urban Development, but under occupation of Air Fore since 1942. The genesis of setting up of the Santushti Complex lies in the decision taken by AFWWA-C which is a private body. It is AFWWA-C who was played primary role in the setting up/ expansion of Santushti Complex by assessment of monthly rent for the shops, selection of parties for allotment of shops, regulating payment to the contractors and decision to award contracts, etc.

(ii) Even though Approvals for constructioiv%xpansion activities of Santushti Complex were accorded by Air Officer Commanding, air Force Station, New Delhi, these were on the basis of the proposal intiated by Manager Administration, Santushti Complex. The said Manager Administration was an air Force Officer from AF Stn, New Delhi, but reportintg to President, AFWWA-C. The involvement of AFWWA-C for construction activities on Government land by involving the service of Air Force authorities does not seem to be proper.

(iii) There has been no transparency in the assessment of monthly rent for shops, allotment of shops and conclusion of contracts for constructionlnaintenance, etc.

(iv) The Santushti Complex does not fall within the basic framework of regimental shops and does not conform with the policy of the Government for welfare activities.